

ASSEMBLY BILL

No. 1426

Introduced by Committee on Insurance (Assembly Members Solorio (Chair), Carter, Feuer, Hayashi, Skinner, Torres, and Wieckowski)

March 22, 2011

An act to amend Section 11629.79 of, and to repeal Section 1758.994 of, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1426, as introduced, Committee on Insurance. Insurance.

(1) Existing law requires the Insurance Commissioner to report to the Legislature by June 30, 2004, regarding the effectiveness of specified provisions regulating credit insurance agents in protecting consumers involved in credit insurance transactions.

This bill would repeal this reporting requirement provision.

(2) Existing law establishes a low-cost automobile insurance program. Existing law, subject to exceptions, requires that the Office of Administrative Law review administrative regulations proposed by state agencies prior to their adoption. Exceptions to this requirement authorized the Insurance Commissioner to adopt emergency regulations relating to the low-cost automobile insurance program as it commenced in 2000, and as it was expanded in 2006, that are not subject to the review process of the Office of Administrative Law.

This bill would repeal the language that authorized the commissioner to adopt emergency regulations in relation to the low-cost automobile insurance program.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1758.994 of the Insurance Code is
2 repealed.

3 ~~1758.994. The commissioner shall submit a report to the~~
4 ~~Legislature by June 30, 2004, regarding the effectiveness of this~~
5 ~~article in protecting consumers involved in credit insurance~~
6 ~~transactions. This report shall include, but not be limited to, the~~
7 ~~number and categories of licensees licensed pursuant to this article;~~
8 ~~the number and nature of enforcement actions related to credit~~
9 ~~insurance licensing or marketing issues, and any needed legislative~~
10 ~~reforms recommended by the commissioner.~~

11 SEC. 2. Section 11629.79 of the Insurance Code is amended
12 to read:

13 11629.79. (a) The program for the County of Los Angeles and
14 the City and County of San Francisco is authorized to commence
15 operations on January 1, 2000, but shall be fully operational no
16 later than July 1, 2000.

17 (b) To this end, the commissioner, in consultation with the
18 California Automobile Assigned Risk Plan, shall adopt regulations
19 to implement the provisions of this article within 60 days of its
20 effective date. ~~The regulations shall be adopted as emergency~~
21 ~~regulations in accordance with Chapter 3.5 (commencing with~~
22 ~~Section 11340) of the Government Code, and for purposes of that~~
23 ~~chapter, the adoption of the regulations shall be considered by the~~
24 ~~Office of Administrative Law to be necessary for the immediate~~
25 ~~preservation of the public peace, health and safety, and general~~
26 ~~welfare.~~

27 (c) The program for the Counties of Alameda, Fresno, Orange,
28 Riverside, San Bernardino, and San Diego shall commence
29 operations on April 1, 2006, and shall be made operational in all
30 other counties of California according to the discretion of the
31 commissioner. The commissioner, in consultation with the
32 California Automobile Assigned Risk Plan, shall adopt regulations
33 to implement the expansion of the program to these counties. ~~The~~
34 ~~regulations shall be adopted as emergency regulations in~~
35 ~~accordance with Chapter 3.5 (commencing with Section 11340)~~
36 ~~of the Government Code, and for purposes of that chapter, the~~
37 ~~adoption of the regulations shall be considered by the Office of~~

- 1 ~~Administrative Law to be necessary for the immediate preservation~~
- 2 ~~of the public peace, health and safety, and general welfare.~~

O